

**Affidavit and Revenue Certification**

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Greater North Louisiana Community Development Center  
Jackson Parish  
Jonesboro, Louisiana

LEGISLATIVE AUDITOR  
2018 JUN 27 AM 9:35

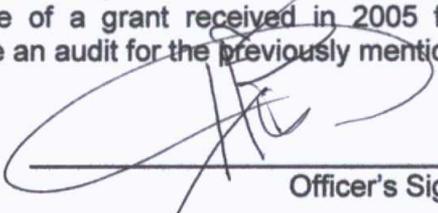
**ANNUAL SWORN FINANCIAL STATEMENTS AND  
CERTIFICATION OF REVENUES \$75,000 OR LESS (if applicable)**

The annual sworn financial statements are *required* by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues of \$75,000 or less, if applicable, is required by Louisiana Revised Statute 24:513(J)(1)(c)(i)(aa).

Personally came and appeared before the undersigned authority, Herbert Simmons, Jr. (enter officer name), who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of Greater North Louisiana CDC (enter entity name) as of December 31, 2018 (entity's year-end), and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

**(Complete if applicable)**

In addition, Herbert Simmons, Jr. (officer name), who, duly sworn, deposes and says that Greater North Louisiana CDC (entity name) received no public funds for the year ended December 31, 2018, but is subject to the Louisiana Audit Law because of a grant received in 2005 from Louisiana Housing Corporation and accordingly, is not required to have an audit for the previously mentioned year.

  
\_\_\_\_\_  
Officer's Signature

Sworn to and subscribed before me this 25 day of June, 2019

  
\_\_\_\_\_  
NOTARY PUBLIC SIGNATURE & SEAL

For Office Use Only
Under provisions of state law, this report will become a public document on the Monday following the release date. A copy of the report will be submitted to appropriate public officials and be available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and, where appropriate, at the office of the parish clerk of court.
Release Date _____

Please Complete This Section
Officer's Name _____
Officer's Title _____
Address _____
City, Zip _____
Ph: Cell/Land _____
E-mail _____

Greater North Louisiana Community Development Center  
Jonesboro, Louisiana

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

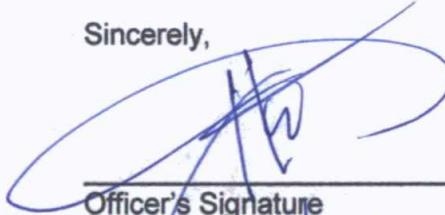
(Date) June 25, 2019

Ms. Gayle Fransen  
Engagement Manager  
Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70802

Dear Ms. Fransen:

In accordance with Louisiana Revised Statute 24:513, enclosed are the Affidavit and Revenue Certification Form and the annual financial statements for my entity, as of and for the year ended December 31, 2018 (entity's year-end). The statements include all funds under the control of this entity. The accompanying financial statements have been prepared on the cash basis of accounting.

Sincerely,



Officer's Signature

Herbert Simmons, Jr.

Officer's Name

Enclosures

PLEASE RETAIN A COPY OF THE COMPLETED FINANCIAL STATEMENT FOR YOUR RECORDS

Please return the completed form within 90 days of your entity's year-end to Louisiana Legislative Auditor – Local Government Services; Post Office Box 94397, Baton Rouge, LA 70804-9397 – Updated 8/3/16

\_\_\_\_\_  
(Agency Name)

**Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer (Required Form - Please Submit Completed Form Per Attached Instructions)**

For the Year Ended December 31, 2018 (Year-End)

**Agency Head Name and Title:** Janice Simmons

<b>Purpose</b>	<b>Dollar Amount</b>
1. Salary	1.
2. Benefits-insurance	2.
3. Benefits-retirement	3.
4. Benefits-other (describe)	4.
5. Benefits-other (describe)	5.
6. Benefits-other (describe)	6.
7. Car allowance	7.
8. Vehicle provided by government (if reported on your W-2)	8.
9. Per diem	9.
10. Reimbursements	10.
11. Travel	11.
12. Registration fees	12.
13. Conference travel	13.
14. Housing	14.
15. Unvouchered expenses (example: travel advances, etc.)	15.
16. Special meals	16.
17. Other	17.
18. TOTAL (enter total of line 1-17)	18.

Please check here if the Agency Head does not receive any compensation, benefits, and other payments. (Act 462 of the 2015 Legislative Session allows nongovernmental entities or not-for-profit (quasi-public) entities to report on the Act 706 schedule **only** those payments to the agency head that are derived from the public funds.)

PLEASE RETAIN A COPY OF THE COMPLETED FINANCIAL STATEMENTS FOR YOUR RECORDS

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

Special Attention of  
**All Multifamily Hub Directors**  
**All Multifamily Program Center Directors**  
**All Multifamily Operations Officers**  
**All Multifamily Directors of Project Management**  
**All Contract Administrators**  
**Real Estate Assessment Center**  
**Departmental Enforcement Center**  
**Office of General Counsel**

**Notice H 2013-23**  
Issued: August 8, 2013

Expires: This Notice  
remains in effect until  
amended, superseded,  
or rescinded.

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Cross References:  
IG Handbook 2000.04 REV-2 CHG-1;  
HUD Handbook 4370.1 REV-2;  
HUD Handbook 4370.2 REV-1;  
HUD Handbook 4370.4;  
FASS Industry User Guide (7.1.9.0)

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**SUBJECT: Change in Annual Financial Statement (AFS) Submission Requirements for  
Some Multifamily Housing Projects.**

**PURPOSE**

This Notice revises the financial reporting requirements for small multifamily housing projects. Specifically, it relieves the Owners of small multifamily projects of the burden and cost of submitting audited financial statements. For purposes of this Notice, the term “small multifamily housing project” means a project for which the Owner is under an obligation to submit an audited financial statement but receives less than \$500,000 in combined federal financial assistance. Such Owners will be permitted to submit an Owner Certified financial statement provided they receive less than \$500,000 in combined federal financial assistance.<sup>1</sup> Combined federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.<sup>2</sup>

This Notice will apply to Owners having a fiscal year end of December 31, 2013, and thereafter.

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<sup>1</sup> This Notice does not implicate, and is unrelated to, the definition of “Small Project” that appears in 24 C.F.R. §§ 880.201, 881.201, and 883.302.

<sup>2</sup> See Office of Management and Budget (OMB) Circular A-133 for a complete definition of combined “federal financial assistance.”

## **BACKGROUND**

HUD participates in the Rental Policy Working Group (RPWG) along with the White House Domestic Policy Council, the National Economic Council, the Office of Management and Budget (OMB), the United States Department of Agriculture (USDA) and the U.S. Department of Treasury. The RPWG is a White House initiative to align the housing programs of federal agencies by creating uniform standards for federal programs. This initiative is designed to make federal programs easier to use and to reduce the administrative burdens to program participants.

The initial focus of the RPWG was to align financial reporting requirements of HUD's and USDA's multifamily housing programs. The RPWG examined the financial reporting requirements for HUD and USDA and found them to be vastly different. HUD requires all Owners of profit-motivated projects that have a financial submission requirement to submit audited financial statements, while USDA only requires audited financial statements for Owners of projects having 25 units or more. The RPWG also discovered that both agencies treat non-profit owners differently from for-profits by exempting non-profit owners who receive less than \$500,000 in combined federal assistance from submitting an audited AFS. This practice follows the OMB Circular A-133 which recognizes that audit requirements should be directly tied to federal dollars that are at risk.

The RPWG determined that both agencies should have the same audit standards and that the requirements should be based on the dollar amount of risk exposure rather than the number of units in a multifamily development. HUD and USDA jointly decided that the audit threshold should initially be set at a level of \$500,000 in combined federal financial assistance. This is the same threshold that is currently applied to non-profit owners of HUD-assisted projects. This threshold is modeled after the current federal awards threshold established by OMB for non-profit federal awards recipients, but it should be noted that this threshold is completely independent of OMB requirements since OMB Circular A-133 only applies to non-profit entities. This threshold may be increased or decreased independent of current or future OMB rules. The RPWG believes that standardizing the audit requirements is an important first step in aligning the financial reporting standards among various federal and state agencies.

## **IMPACT**

HUD currently receives over 24,000 financial statement submissions electronically each year. This notice is expected to apply to approximately 2,174 of those submissions. Once implemented, this directive is expected to save the Owners of these small projects from \$2,000 to \$10,000 per year in annual financial reporting costs. The cost savings realized from this policy will free up dollars to be used for additional maintenance, operating costs, or owner distributions. Reducing the financial and administrative burden associated with filing audited financial statements will also encourage the Owners of these small projects to renew rather than opt-out of existing Section 8 Housing Assistance Payments (HAP) contracts, thereby preserving much needed affordable housing units.

The Department has determined that this policy will not adversely affect HUD's oversight responsibilities. The 2,174 projects affected by the policy are comprised of two groups: (1) projects that have an FHA-insured or HUD-held mortgage (about 534 properties) and possibly some other type of HUD assistance; and, (2) projects that are not FHA-insured and receive only project-based Section 8 assistance (1,640 owners). The 534 projects with FHA-insured or HUD-held mortgages receive a relatively small dollar amount in combined federal assistance. Furthermore, many of these projects are near the end of their amortization period and the risk of a default in the final years of amortization is minimal. The remaining 1,640 projects are projects whose only assistance is a project-based Section 8 contract. HUD's primary oversight objective for Section 8 owners is to ensure that the Section 8 assistance is properly administered (i.e. tenant eligibility and income are properly monitored) and that the owner maintains the project in decent, safe and sanitary condition. Management and Occupancy Reviews and routine Physical Inspections are more effective monitoring tools for these types of projects than an audited financial statement. HUD has Performance-Based Contract Administrators (PBCA) that conduct onsite occupancy reviews to monitor owner compliance with Section 8 contracts and HUD's Real Estate Assessment Center (REAC) conducts physical inspections, so these contract oversight functions are already being performed. In the case of projects with FHA-insured or HUD-held mortgages, the project's Regulatory Agreement allows HUD to request Monthly Accounting Reports and give specific answers to questions upon which information is desired from time to time relative to income, assets, liabilities, contracts, operation, and condition of the project and the status of the insured mortgage.

The USDA is currently in the process of drafting the regulatory changes necessary to support this initiative. Implementation of this policy by HUD will achieve a major milestone in the White House initiative to standardize reporting requirements and to reduce excessive costs and administrative burdens on program participants.

## **IMPLEMENTATION**

Owners of affected projects will continue to submit financial statements to HUD electronically via the Real Estate Assessment Center's (REAC's) Financial Assessment Subsystem - Multifamily (FASS-MF). The financial statement must be presented in accordance with Generally Accepted Accounting Principles (GAAP) including a full set of notes to financial statements. However, owner-certified submissions will not contain an auditor's opinion or an auditor's report on compliance and internal controls. Unless they have the technical expertise in-house to prepare GAAP-based financial statements, most Owners will still have to contract a Certified Public Accountant (CPA) to prepare the financial statements. The FASS system will continue to track overdue financial statements and make the appropriate referrals to the Departmental Enforcement Center (DEC) for Owners who fail to submit on time.

During the submission process, the system will prompt Owners to certify that they receive less than \$500,000 in combined federal financial assistance and the system will perform a crosscheck of HUD's databases to verify the owner's certification. Each submission will be reviewed by REAC for compliance and will be subject to all of the FASS-MF system's internal compliance checks. These internal checks are designed to identify non-compliance with HUD regulations and include checks for unauthorized distributions, failure to make reserve deposits,

underfunded security deposits, etc. Owners who do not comply with their business agreements will continue to receive non-compliance letters and will be required to clear all non-compliance findings. Furthermore, the Department may take appropriate enforcement action when necessary.

If you have general questions regarding the new submission requirements, please contact the Office of Asset Management, Business Relationships and Special Initiatives Division at (202) 402-2629. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information relay service at (800) 877-8339.

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Carol J. Galante  
Assistant Secretary for Housing-  
Federal Housing Commissioner

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**Distribution: W-3-1,**

Previous edition is obsolete.

Greater North Louisiana CDC  
Statement of Activities  
January through December 2018

	<u>Jan - Dec 18</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
43200 · Gaming Income	
47500 · Sessions Funds	-4,030.00
43200 · Gaming Income - Other	15,955.40
	<hr/>
<b>Total 43200 · Gaming Income</b>	11,925.40
45000 · Rent Income	39,315.81
4580 · Fundraisers	37,572.52
4600 · Interest Revenue	1,325.23
	<hr/>
<b>Total Income</b>	90,138.96
	<hr/>
<b>Gross Profit</b>	90,138.96
<b>Expense</b>	
5635 · Program Expenses	
5254 · Program Expenses-2	919.25
5540 · Program Expense-1	100.00
5640 · Breakfast	2,917.07
	<hr/>
<b>Total 5635 · Program Expenses</b>	3,936.32
5010 · Automobile Expenses	112.52
5050 · Advertising	135.00
5070 · Bank Charges	
5075 · Service Charges	60.00
5070 · Bank Charges - Other	15.00
	<hr/>
<b>Total 5070 · Bank Charges</b>	75.00
5090 · Building/Grounds Maint - G & A	239.88
5180 · Cotillion Reimbursement	50.00
5185 · Contract Labor	5,800.00
5240 · Donations	
5250 · Scholarship	1,500.00
5240 · Donations - Other	153.87
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<b>Total 5240 · Donations</b>	1,653.87
5270 · Dues & Subscriptions	750.00
5370 · Housing Development	1,411.44
5390 · Insurance	7,299.46
5410 · Interest Expense	17,450.69
5450 · Legal & Accounting	6,513.53

Greater North Louisiana CDC  
Statement of Activities  
January through December 2018

	<u>Jan - Dec 18</u>
5460 · License & Permits	675.00
5490 · Miscellaneous	911.86
5550 · Payroll Expenses	3,775.53
5600 · Postage & Delivery	133.90
5610 · Printing	50.00
5650 · Rent (Gaming)	16,227.80
5670 · Repair & Maintenance	
42530 · Lawn Care	1,775.00
66300 · Pest Control	175.00
5670 · Repair & Maintenance - Other	6,631.01
Total 5670 · Repair & Maintenance	8,581.01
5720 · Supplies	400.00
5810 · Telephone	8,667.28
5860 · Utilities	7,552.26
5076 · Bingo Supplies	425.33
5515 · Office Expense	2,251.23
Total Expense	<u>95,078.91</u>
Net Ordinary Income	-4,939.95
Other Income/Expense	
Other Expense	
8800 · Loss from Bankruptcy	1,201,504.67
5220 · Depreciation	25,708.40
Total Other Expense	<u>1,227,213.07</u>
Net Other Income	<u>-1,227,213.07</u>
Net Income	<u><u>-1,232,153.02</u></u>

Greater North Louisiana CDC  
Statement of Financial Position  
As of December 31, 2018

	<u>Dec 31, 18</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	5,135.55
<b>Other Current Assets</b>	
1249 · Due from Other Affiliates	3,579.00
<b>Total Other Current Assets</b>	<u>3,579.00</u>
<b>Total Current Assets</b>	8,714.55
<b>Fixed Assets</b>	
1499 · Buildings, F & E, Land	
1500 · Furniture, Equipment & Fixtures	
1510 · Equipment	21,147.86
1520 · Furniture & Fixtures	
1560 · Furniture & Fixtures-SBA	25,856.56
1520 · Furniture & Fixtures - Other	19,889.96
<b>Total 1520 · Furniture &amp; Fixtures</b>	<u>45,746.52</u>
<b>Total 1500 · Furniture, Equipment &amp; Fixtures</b>	66,894.38
1590 · Accumulated Depreciation	-66,894.38
<b>Total 1499 · Buildings, F &amp; E, Land</b>	0.00
1600 · PS Fixed Assets	
1601 · PS-Depreciated Assets	
1640 · Townhouse Apartments	1,226,124.24
1695 · PS-Accumulated Depreciation	-173,766.51
<b>Total 1601 · PS-Depreciated Assets</b>	1,052,357.73
1602 · PS Land	250,000.00
<b>Total 1600 · PS Fixed Assets</b>	<u>1,302,357.73</u>
<b>Total Fixed Assets</b>	1,302,357.73
<b>Other Assets</b>	
1275 · Investment in Jackson Pines	84.00
<b>Total Other Assets</b>	<u>84.00</u>
<b>TOTAL ASSETS</b>	<u><u>1,311,156.28</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	

Greater North Louisiana CDC  
Statement of Financial Position  
As of December 31, 2018

	<u>Dec 31, 18</u>
2010 · Accounts Payable	3,842.61
<b>Total Accounts Payable</b>	<b>3,842.61</b>
<b>Credit Cards</b>	
2035 · Bank of America	
2038 · BOA- 8212 (4981)	7,684.57
<b>Total 2035 · Bank of America</b>	<b>7,684.57</b>
<b>Total Credit Cards</b>	<b>7,684.57</b>
<b>Other Current Liabilities</b>	<b>13,740.81</b>
<b>Total Current Liabilities</b>	<b>25,267.99</b>
<b>Long Term Liabilities</b>	
2300 · Credit Line	
2109 · Community Trt Credit Line-27826	234,119.64
2350 · Note Payable JPB #2384-5081	37,760.00
<b>Total 2300 · Credit Line</b>	<b>271,879.64</b>
2650 · Tenant Security Deposits	1,210.34
<b>Total Long Term Liabilities</b>	<b>273,089.98</b>
<b>Total Liabilities</b>	<b>298,357.97</b>
<b>Equity</b>	
32000 · Net Assets	2,244,951.33
Net Income	-1,232,153.02
<b>Total Equity</b>	<b>1,012,798.31</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,311,156.28</b>